



GRASS VALLEY
A PLACE TO LIVE AND THRIVE

**COMMERCIAL CANNABIS
SCREENING APPLICATION INFORMATION PACKET**
Community Development Department
125 E. Main Street
Grass Valley, CA 95945
www.cityofgrassvalley.com

On November 24, 2020, the City Council amended the Grass Valley Municipal Code (GVMC) and Development Code to allow certain cannabis businesses. The amendment repeals in its entirety Chapter 5.60 of Title 5 of the GVMC and enacted in its place a new Chapter 5.60 which details the regulations of commercial cannabis activities in the City of Grass Valley. The cannabis regulations allow:

- One (1) permit per 7,500 residents of the city, and no more than two (2) permits total, for dispensaries open to the public for retail sales (with delivery).
- One (1) permit per 6,500 residents of the city, and no more than three (3) permits total, for delivery-only services.
- No more than two (2) local cannabis testing laboratory permits.
- No more than ten (10) local cannabis manufacturing/processing permits.
- No more than two (2) local cannabis nursery permits.
- No more than five (5) local cannabis distribution permits.

APPLICATION PROCESS OVERVIEW

The City will utilize a merit-based approach to selecting which applicants will receive the commercial cannabis permits listed above. The information contained in this application, Exhibit A (the City's screening criteria), and within the formal cannabis permit application includes the minimum requirements necessary to administer Chapter 5.60 of the GVMC. The selection process starts with all interested applicants submitting a screening application to the City per the submittal requirements listed on page 3. The screening application will include information about the applicant's ownership/management team, proposed business plan, security plan, and experience. **Applicants do not need to have secured a physical location to submit a screening application.** Each screening application will be reviewed and scored by an independent Selection Committee appointed by the City Manager. The Selection Committee members will score the screening applications based on specific review criteria and weighting (points). Where the point/score is based on three tiers, such as "lacking detail and missing some information," "missing substantial information," or "much less detailed," the selection committee will rank and compare each responses for every permit type against the responses submitted by other applicants.

After the Selection Committee has reviewed and scored all the screening applications, they may invite the highest ranked applicants in each commercial cannabis permit category for an interview with the Selection Committee. Following the interviews, the top overall applicants will be allowed to submit an application for a commercial cannabis permit from the City (separate application). The first step for the selected applicants will be to secure a physical location for their business (cannabis businesses are permitted in the C-3 and M-I Commercial Zoning Districts). Once an applicant has secured a physical location they will need to obtain the appropriate planning and health department (if necessary) permits (e.g. Development Review Permit from the City's Planning Department for new building or exterior remodels). Upon approval of the Development Review Permit, the applicant is encouraged to apply for any necessary Building Permits needed to make improvements to the property (e.g. building permits for tenant improvements). Once the applicant secures their State Cannabis License and City of Grass Valley Business License, the City will issue the Commercial Cannabis Permit. Failure to obtain a State cannabis license will render any City permit approvals null and void.

After the Cannabis Selection Committee approves an application, the applicant must obtain the Commercial Cannabis Permit from the City and begin business operations within one (1) year (if locating to a newly constructed building), or within six (6) months (if locating to an existing building). The City, at its sole discretion, may grant an extension to these time periods based on extenuating circumstances.

SCREENING APPLICATION REQUIREMENTS

Documents Required in Screening Application Submittal:

The following information shall be included in each screening application submittal:

- Required Submittal Item 1:** Completed Applicant/Owner Information Forms
- Required Submittal Item 2:** Cover Letter
- Required Submittal Item 3:** Detail of the Applicant's Business Plan
(submit for each license type if applying for more than one)

Sections shall include:

- Section 1: Qualifications of Owner/Operators
- Section 2: Business Plan, including Community Benefit Plan
- Section 3: Neighborhood Compatibility & Enhancement
- Section 4: Security Plan
(Note: for additional guidance, you may want to refer to the Commercial Cannabis Permit section on Mandatory Security Plan Submission Requirements)

Further Information Regarding Required Items:

Applicant Information Forms: Each screening application shall complete the Applicant/Owner Information Forms (Required Submittal Item 1). These forms include basic information on the applicant, owners, and non-owners with a financial interest in the business. The information being requested by the City is similar to the information being requested by the State.

Cover Letter: The Cover Letter (Required Submittal Item 2) shall be a concise overview of the applicant's screening application, including the type of cannabis permit being applied for, both locally and with the State, and the proposed business concept. The Cover Letter cannot exceed three (3) pages.

Detail of Applicant's Business Plan: This section is the main portion of the screening application (Required Submittal Item 3). For each permit type, the applicant shall provide detailed information about their business plan, security plan, and owner/operator experience, and provide a description of how the business will be compatible with the surrounding neighborhood (for more details, please refer to the Screening Criteria in Exhibit A). As much detail as possible to clearly describe the day-to-day operations of each permit type being sought should be provided. This section is limited to a total of 75 pages of text (single-sided) and 25 pages of images for a total of 100 pages for each permit type. Applicants shall label each of the 4 sections noted above.

Payment of Screening Application Fee: Applicants must pay a screening application fee for each type of permit they have applied for. Payment must be included with the screening application submittal via mail or in person to 125 E. Main St, Grass Valley, CA 95945. Further information regarding the screening application fee is included on page 4.

Required Format and Submittal Guidelines for Screening Application:

Length: Screening applications shall be no longer than 100 pages for each permit type. The page total does not include the applicant/owner information forms or the cover letter (cover letter cannot exceed three pages). Double-sided pages count as two pages. Please limit the use of duplicative information throughout the submittal. All pages shall be numbered.

Font and Page Size: 12-point font minimum shall be used in the narrative portions of the screening application. All pages shall be 8.5 x 11.

Submittal Period: Screening applications may be submitted to the City anytime between May 12, 2021, and August 12, 2021. The City and the Selection Committee will complete application reviews and rankings within 90 days (3 months) of the conclusion of the application submittal period.

Document Submittal: Starting May 12, 2021 through August 12, 2021, screening applications shall be submitted electronically to **info@cityofgrassvalley.com** or in person (by appointment only - (530) 274-4350) or mail to **125 E. Main St, Grass Valley, CA 95945**.

Screening Application Fees: Applicants are required to pay the following fees with the submittal of their screening application:

Permit Type	Screening Application Fee
Retail Dispensary	\$4,632.41
Delivery Only Dispensary	\$4,632.41
Nursery	\$4,632.41
Manufacturer/Processor	\$4,632.41
Distribution	\$4,632.41
Testing Laboratory	\$4,632.41

If applicants are submitting screening applications for more than one type of commercial cannabis permit they must submit a separate application and pay the applicable screening application fee for each permit type. For example, if an applicant is submitting screening applications for a retail permit and a nursery permit, they would need to pay \$9,264.82.

Screening application fees will not be refunded if an applicant is not selected as one of the top ranked applicants. Fees will not be refunded because they are used to cover the costs of City expenses (staffing time and other costs) to prepare and implement the screening application process, as well as expenses of the Selection Committee.

Payment must be included with the screening application submittal. Payments will be accepted by mail (125 E Main Street, Grass Valley, CA 95945) or by in person by appointment only ((530) 274-4350).

Other Key Information:

Contact with Members of the Selection Committee – Applicants (or their representatives) are prohibited from contacting any member of the Selection Committee in any way. Any violation will result in the dismissal of the applicant’s screening application.

Applicants should also be aware that City Councilmembers will not be reviewing or scoring the screening applications and will not be deciding which applicants will be eligible to receive commercial cannabis permits through the screening process.

Background Check – A background check of the top overall applicants will be required and should be anticipated. The applicant, owners, and non-owners with a financial interest in a commercial cannabis business shall be required to complete the background check.

Multiple Licenses – Applicants are allowed to submit screening applications for multiple types of commercial cannabis permits. However, an applicant may not submit a screening application for more than one of the same type of cannabis permit. For example, an applicant could submit screening applications for a retailer permit and a cultivation permit, but could not submit for two retailer permits.

Testing Laboratory Limitation - As required by State law, including without limitation Business and Professions Code Section 26053, subdivision (b), owners and operators of a cannabis testing laboratory are prohibited from owning or operating any other cannabis business or entity, except another cannabis testing laboratory, and are prohibited from holding any other State or local cannabis license or permit, except for another cannabis testing laboratory license or permit.

Manufacturing Limitation – The City prohibits a cannabis manufacturer permit holders from simultaneously holding cannabis retail dispensary or delivery only dispensary permits.

Permits Not Transferable - The assignment of, or attempt to assign, any cannabis permit is unlawful and any such assignment or attempt to assign a permit shall render the permit null and void.

Public Records Requests and Proprietary Data – All screening applications will become the property of the City when received. Information contained in the screening applications may be subject to disclosure under the California Public Records Act. Any sections or pages the applicant considers proprietary should be clearly marked within the screening application, although such marking is not determinative of whether it is proprietary under state law. The City reserves the right to disclose and/or withhold any information contained therein in accordance with the law.

Ownership Stake in Multiple Applications (Same Permit Type) – Individuals may not be party to or listed as Owners in more than one of the same type of permit application. The definition of Owner is provided on the Applicant/Owner Information Form and is consistent with the State definition of “Owner.”

Original Ordinance – The commercial cannabis ordinance can be found on the City’s website (<https://www.cityofgrassvalley.com/post/commercial-cannabis-businesses>).